

Saimaa University of Applied Sciences  
Faculty of Business Administration, Lappeenranta  
Degree Programme in International Business

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## **How to Attract New Customers. Case: La Fiaba**

Thesis 2014

## **Abstract**

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How to Attract New Customers. Case: La Fiaba, 50 pages, 1 appendix

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The purpose of the study was to help a case company La Fiaba to attract new customers from the market of Russia. The main idea was to study the case company's customer service to Russian customers and to get deeper understanding of the marketing.

Data for this study were collected by using the qualitative research method. The information was gathered from the literature, articles, Internet sources, and by interviewing. The interviews were based on the questionnaire. The theoretical framework in this thesis aimed to the study the main elements of marketing communication and customer relationships marketing.

The final result of this thesis was positive. Based on the findings there was made a conclusion with recommendations for the case company La Fiaba. The result of this study can be used by the company to make an advertising plan for attracting new customers.

Keywords: customers, marketing communication, customer service, advertising

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# **1 Introduction**

The main idea of the thesis is attracting new customers to the case company called La Fiaba. After finding the case company there was a conversation about the main objectives, research questions, and delimitations of the study. When the main aspects with the theory were clear, the thesis planning continued with the survey part and analysing the key concepts. The work is intended to help La Fiaba to attract more new customers from Vyborg, Russia.

## **1.1 Background**

La Fiaba is a boutique of quality and fashionable Italian shoes and accessories. It was opened on 8 March 2013 in Family Center in Lappeenranta, Finland. In La Fiaba customers can find different collections of the best Italian brands, such as Baldinini, LORIBLU, FABI, Luciano Padovan, Marino Fabiani, Loretta Pettinari, Dino Bigioni, Ducanero, and Barracuda. La Fiaba is a choice for those who would like to buy Italian shoes of good quality representing the best Italian traditions, modern design, and natural materials. High quality does not mean that the products are very expensive. There are fair prices on shoes and accessories, and moreover, there is a possibility to make a tax-free and invoice purchase, which makes purchasing more profitable. (La Fiaba.)

Finding new customers is a challenge for each business, but without customers any business will eventually fail, and it does not matter what kind of business it is. It is very important to present the product or service to attract new customers, but a more important issue is to create a regular customer base.

Research is a process of gathering information for increasing knowledge or revising current knowledge by discovering new facts in a particular field (BusinessDictionary 2014). In the case of attracting new customers, research is needed to get more information on how to attract them, by using what theory and how to use this theory, how to apply it in the right way, so that, it is going to benefit the company.

## **1.2 Objectives and delimitations**

For doing this study it is necessary to have the right vision of the market, in this case the Russian market. So, it is necessary to analyse this market. The following research objectives have been identified to complete this study: identifying the target market segments; choosing a market segment with the right group; establishing a profile for products and services; capturing the main concepts and expectations from customers; and analysing the results. The main objective of this study is defined accordingly: to find out what elements in advertising can be improved and will help La Fiaba to attract new customers from the Russian market, from Vyborg in particular.

This research concentrates on people who would choose to be bright and stylish. It could be women as well as men with a middle- and upper-middle level of income. As the focus is on the Russian market, there would be potential customers from Russia, but as Russia is the biggest country in the world and it will be impossible to concentrate on all of the country, a decision was made to choose Vyborg. This city is very close to the Finnish border and to Lappeenranta, where La Fiaba is situated. There are also a lot of tourists coming every day to visit Finland, and some of those people could be some potential clients for La Fiaba. For this research there is a questionnaire for the customers of La Fiaba. By analysing the results from the answers to the questionnaire, it would become clear what kind of customers come to the store, what attract them, and how to attract new ones. Moreover, it is very important to remember the theory part, which is going to be the main delimitation to this study and will take a major share in the report as well. The main concepts in the theory part are customer relationship marketing and marketing communication.

Customer Relationship Marketing is a business process where client relationships, customer loyalty and brand value are built through marketing strategies and activities. Customer Relationship Marketing gives the opportunity to build a long-term relationship between the company and established as well as new customers. Customer Relationship Marketing is a strategy approach to improve shareholders value through the development of appropriate relationships with key customers and customer segment. Customer Relationship Marketing unites

the potential of IT and relationship marketing strategies to deliver profitable, long-term relationships. Most importantly, Customer Relationship Marketing provides enhanced opportunities to use data and information both to understand customers and implement relationship marketing strategies better. This requires capabilities enabled through information technology and applications. (Christopher et al. 2002, p 16.)

There are five major channels personal and non-personal communication that can be used in marketing communication: advertising, sales promotion, public relations and publicity, direct marketing, and personal selling. Advertising is a public mode of communication and it can be repeated several times for potential clients. The advertisement can be with color and sound, for example, but it cannot be a dialog with the people who see it. Sales promotion is coupons, contests, premiums, everything that can gain attention and provide information which can lead the consumer to the product/service. Public relations and publicity are news and articles that act as testimonials, from which the potential client cannot turn away. Personal selling is a communicative channel with live relationships between persons. Direct marketing is mail, email, and telemarketing. In this case the message is addressed to a specific person. (IMM 2012.)

"Marketing communications are the means by which firms attempt to inform, persuade, and remind consumers - directly or indirectly - about the products and brands that they sell." (Kotler et al 2009, p 470). Personal and non-personal communication can be used for marketing communication. Personal communication is communication between two or more persons, where a specific one communicates with others. This specific person brings a message and it can be done face-to-face, or to an audience, or by phone, email, text messages, etc. Non-personal communication is media (newspapers, magazines, souvenirs, conferences, radio, TV, posters, etc.), atmospheres (office environment in interior and exterior), and events. (IMM 2012.)

### **1.3 Research questions**

It is very important to set and formulate right questions for the study. A research question is critical in determining the type of information that is going to be ex-

plored in the research. The questions or problems in this market research are to find out: What would be the best ways for improving advertising for La Fiaba? From what sources do Russian customers get information about La Fiaba?

#### **1.4 Research methods**

In the beginning of the work it is very important to get as much needed information as possible. One must have a clear vision of the subject to complete the task with a good result. First, it is very important to gain background knowledge based on the theory. Second, the researcher must get the access to the available data from previous researches, to find and read the previous theses on the topic of attracting new customers for the company, and analyse the resources. The last task is to get information by interviewing already existing customers which will help in setting an advertising plan for La Fiaba. (Network of public sector communicators.)

For doing this study and making all the necessary analyses the research employs an analysis of the information, which is gained from the clients of the company. For this study the qualitative research method will be used. The qualitative research method is based on the questions how and why. This kind of research gives the opportunity to understand reasons for the behaviour of interviewees and to perceive what drives people to do something. This study is based on answers by interviewing customers of La Fiaba by way of a questionnaire. (CSULB.)

## **2 Customer relationship marketing**

“Customer relationship marketing is a strategy which is designed to promote short-term customer loyalty, communications and actions. Customer Relationship Marketing approach is focused on customer retention more than on customer acquisition. It is designed to develop long-term and strong connections between an organisation and customers by providing them information which is suitable for their needs and wants and by promoting open communications.” (Lahtinen and Isoviita 1994, p. 20.)

Customer Relationship Marketing is the creation and development of long-term, profitable and interactive relationships with existing customers and potential ones, suppliers, various interest groups, etc., so that the commitment is common and profitable for both parties. According to Lahtinen and Isoviita (1994, p. 19), when the company is oriented to the customers, there are some principles which are called “the golden rules of customer-oriented organisations”, such as:

1. The needs and the wants of the customers are the starting point for all activities.
2. The company always seeks feedback from the customers.
3. The products are strictly adopted to the needs of the customers.
4. The company monitors the activities of its competitors at all times.
5. “You may not serve all customers in the same way, but they can all be treated with the same respect”.
6. The customer is King.
7. The company respects its staff and organizes the staff as being the most important company resource.
8. Company tries to get regular customers through after-sales marketing.

These rules must be a company’s everyday activity. According to these rules, a company cannot compromise its management with customers and staff, but can pay for something else. (Lahtinen and Isoviita 1994, .p 19.)

## **2.1 Basic model of Customer Relationship Marketing**

There are different kinds of customers of all ages and attitudes, and the educational backgrounds, occupations and income levels are different as well, so it is very important to remember that there is a need for a realistic marketing model. In the model, which is described below, marketing is seen as an objective-oriented decision-making process. This process proceeds as the customer relationship develops. There are different types of relationships between a company and customer. In the situation when the customer is a potential customer who has never heard about the company before, a customer relationship has not even begun. The rest are existing customers. Some of them can be regular



ones, and another group is called “chance” customers, who buy the company’s products occasionally. (Lahtinen and Isoviita 1994, p. 21.)

Customers are divided into different groups according to their stage in the customer relationship. The basic model of customer relationship marketing is presented in Figure 2.

<b>Marketing Objective</b>	Establishing the Relationship	Developing the Relationship
<b>Marketing Target Group</b>	Potential Customers	Existing Customers
<b>Marketing Orientation Forms</b>	Mass Marketing	
	Interactive Marketing	
	Internal Marketing	

Figure 1 The basic model of customer relationship marketing (Lahtinen and Isoviita 1994, p. 21).

According the Figure 1, there are two different groups of customers. The first one is potential customers, where potential purchases can be selected for target groups of the market. And the second one is existing customers, which includes those customers who have purchased company’s products at least once, and some regular clients.

The first target of Customer Relationship Marketing is to create customer relationships and the second one is to develop these customer relationships. The size and composition of the target group depends on the purpose and follows the marketing objectives. That is why objectives must change with customer moves. The objectives and target groups of customer relationship marketing are: establishing customer relationship (the stage of getting customers), and developing customer relationship (the stage of keeping the customers). In the first stage of establishing the target group there are segments chosen from po-

tential customers. The second stage of developing deals with the target group of existing customers, who are divided into three groups of experimenters, chance customers, and regular customers. (Lahtinen and Isoviita 1994, p. 21.)

A company markets differently to a customer who knows nothing about the company than it markets to the knowledgeable regular customer. The marketing methods are called marketing operation forms. Each operation uses a different marketing mix (product, price, place, promotion, relationship network, customer service). Marketing operation forms are, according to Lahtinen and Isoviita (1994), the following:

1. Internal marketing

- the ways through which the company's own personnel will be generally better motivated in its work and especially in customer-oriented activities;
- the ways through which company's management improves the working atmosphere, the education of the personnel, information services and its own management behaviour;
- internally weak organizations cannot be strong externally – the success of internal marketing is the basis for the rest of the marketing operations

2. Mass marketing

- external marketing, which aims to build a customer relationship, is mainly directed at large groups;
- the ways through which potential customers become interested in the company and its products and purchase for the first time;
- marketing strategies are the 4 P's of traditional mass marketing (product, price, place, and promotion)

3. Interactive marketing

- the use of personal or other alternative interactive methods in a sales or service situations in order to create and develop a customer relationship which aims to
  - attract the interest of potential customers to the company and its products

- covert the chance customers into regular customers
- engage the regular customers in the custom and encourage them to spread the news about the company's products to potential customers. (Lahtinen and Isoviita 1994, p. 21.)

## **2.2 Internal and external environment of Customer Relationship Marketing**

Marketing environment is a number of external and internal factors some of which limit marketing whereas some of which create new opportunities for success. These factors must be taken into account in maintaining customer relationships. (Lahtinen and Isoviita 1994, p. 56.) The external environment consists of those factors that influence company's external decisions. The internal environment consists of those factors that influence decisions inside the organisation.

External marketing environment includes demand, interest groups, and competition. These concepts are external, because a single company cannot influence on them significantly in isolation. Internal marketing environment includes business mission, resources, and profitability targets. These factors can be controlled by the company. Moreover, the company must consider all the requirements and opportunities which are set by the marketing environment. (Lahtinen and Isoviita 1994, p. 56.)

Now, the concepts of external and internal marketing environment will be discussed in more detail. In the external marketing environment customer needs are the basis for customer-oriented action. These customer needs are seen by the company as a demand. Moreover, the company has to know its main competitors, their products, strengths, weaknesses, and methods which they use. The company has to choose the kind of environment where it can succeed, and that is why it is very important to know the factors that set limits in company operations, such as laws, agreements, regulations, traditions, and cultural habits. (Lahtinen and Isoviita 1994, p. 56.)

The company's environment changes all the time. Some of those changes can be easily predicted by the company, some of them are very difficult and unex-

pected. If the company has good analyses of the environment where it operates, the less disturbing surprises it will have to meet and challenge. There are two attitudes towards changes: either changes are opportunities to be taken advantage of and exploited more fully than the competitors, or changes are threats to operations and the events have now been predicted because no planning of this sort takes place. (Lahtinen and Isoviita 1994, p. 57.)

Another important factor in the external marketing environment, after demand, is competition. The company must pay attention to the competitive situation and to the operations of the competition. First of all the company must identify its main competitors and be familiar with their operations, in order to be more successful than them. According to Lahtinen and Isoviita (1994, p. 71) competition means that the customer has alternative possibility to satisfy needs. When the company considers competition as a part of the external marketing environment, the company must find answers to the following questions:

- Which companies and products are competitors?
- How do competitors market?
- What are the competitor strengths and weaknesses?
- Are competitors entering or leaving the market?
- How do competitors react to a given situation?

When the company is making a marketing decision, the internal factors must be taken into account as well as the external ones. Internal marketing environment consists of business mission, resources, and profitability. Business mission determines the company's success factors. The company must regulate what, to whom, and how it is going to market. When the company finds the right products and produce right modes or operation, then it meets success. Business mission consists of four elements, including segments, images, products, and operation modes. The business mission of the company must be unique and difficult to imitate. (Lahtinen and Isoviita 1994, p. 74.)

Along with a business mission, the company requires economic and human resources. The more abundant the company's economic resources, the more possibilities there are to experiment on different market modes. But on the other

hand, small companies are more flexible and quicker in making decisions, than larger ones. According to Lahtinen and Isoviita (1994, p. 75), another important part of the resources of the company is human resources (employee know-how), which consists of well-motivated personnel who are interested in their work; high professional skills and marketing knowledge; high team spirit among the entire staff, enterprising, initiative and innovative personnel; personnel's ability and desire to change familiar activities.

The last element in the internal marketing environment is profitability. According to Lahtinen and Isoviita (1994, p. 75), everything that is done in marketing must improve the long-term profitability of operations. The profitability of marketing is measured by many indicators in monetary and percentage units. The result indicators of marketing are sales, sales per square meter, per salesperson, and per working hour; sales margin in monetary or percentage value; and marketing margin (measures the profitability of marketing).

### **2.3 Goals of Customer Relationship Marketing**

What are the main goals of Customer Relationship Marketing? According to analyses made by Suzanne Lowe (2006), many organisations have a limited view on the marketing goals and their importance. These goals can be turned towards the company and its growth and help it to make more profit and be successful on the market among competitors. The goals of Customer Relationship Marketing can help companies and provide the data for marketers to overcome internal barriers and set right marketing goals, which lead to the increasing of the profit and company success in the market. There are five main goals for Customer Relationship Marketing:

Goal 1: Defining and identifying the most strategically important prospects/clients. Mostly, companies concentrate on the clients who they used to be focused on, but they do not think about what kind of customers, there should be now and in the future. Defining and identifying the best potential clients for the growth of the company is one of the main goals of the organisation.

Goal 2: Acquiring the most strategically important prospects/clients. This goal is a traditional one in organisations and its initiatives, include differentiation, posi-

tioning, and branding, client added-value events, advertising, direct mail, publishing, speaking engagements, and numerous communications tactics. Moreover, this goal is important for business developers, who arrange appointments with prospects and clients.

Goal 3: Retaining the most strategically important prospects/clients. By using the applications and internal marketing environment, the organisation can strengthen its infrastructure to manage customer relationships.

Goal 4: Increasing the firm's amount of revenue by its most strategically important current client. This means that the organisation should grow its revenues by the best clients it has, while its competitors will not do that. Now companies developed innovative solution to meet their client's emerging need, while simply doing the communication more with current and stable clients. So, the organisation must focus more on the functions and develop strategies to serve prioritized customers.

Goal 5: Increasing the perceived value of the firm to all audiences (including suppliers and employees). This goal will help the company to encompass public relations, media relations, and internal marketing tactics. If the company has not yet identified its priority clients, the company's image and presentation of its products/services can be directed to the wrong audience. (Lowe 2006.)

### **3 Marketing communication**

All organisations, including large and small ones, commercial, government, educational and other organisations, need to communicate with a variety of participants. It could be getting materials and services for the business activities, or cooperating with others to protect a suitable distribution of goods and services. Marketing communication is a management process through which an organisation engages with its various audiences (Edinburgh Business School, Marketing communications 2011). So, the main idea of marketing communication is in its promotion of the organisation and its offerings. It identifies the role which the organisation plays in the marketing process and effects the factors which can have the audiences.

There are many different consumers, who have a variety of products and services to choose from. Marketing communication provides a main activity to get understanding the purposes of interested parties and appreciation of value of goods and services, which are offered those parties. (Edinburgh Business School, Marketing communications, 2011.)

### 3.1 Marketing communication tools

According to Blythe (2009), there are five main marketing communication tools or disciplines, including advertising, sales promotion, personal selling, public relations and publicity, and direct marketing. In addition, there is a media, which delivers a message to target audience, where the time and space can be bought by an organisation. Organisations have developed innovative combinations of promotional mix to reach the audiences successfully. Promotional mix has shifted original emphases from mass communication campaigns to more direct and highly targeted promotional activities by using direct marketing and other tools of the marketing communication mix. Through-the-line and below-the-line communications are used much more these days, but in Figure 2 it is seen that these elements are brought together. (Blythe 2009.)

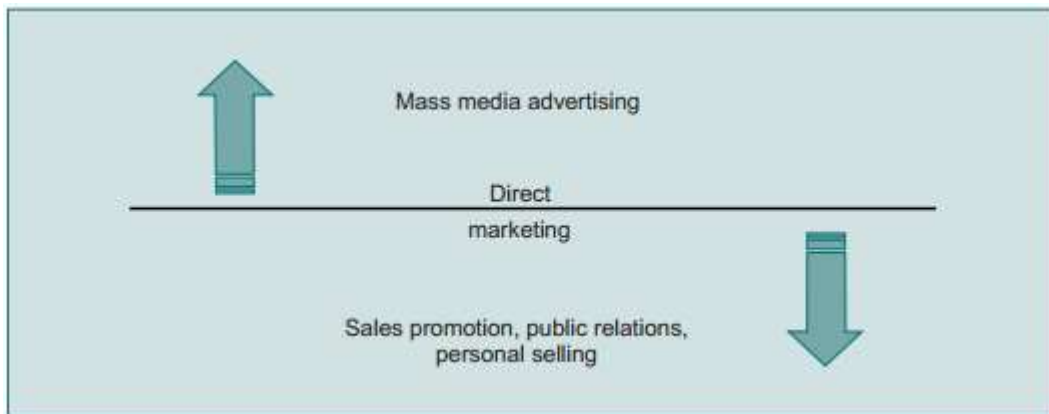


Figure 2. Above-the-line and below-the-line communications (Blythe 2009).

#### 3.1.1 Advertising

The main feature of advertising is to increase awareness. It is a complex form of communication with thousands of variations to get a message to the customers.

Today, advertising has a vast range of choices. The Internet provides many of them with branded viral videos, banners, advertorials, sponsored websites, branded chat rooms, for example. (Suggett 2014.)

There are eight ways of advertising, including print advertising, guerrilla advertising, broadcast, outdoor, public service, product placement, cell phone and mobile and online advertising (digital). Print advertising is printed on paper, such as newspapers, magazines, newsletters, booklets, flyers, direct mail, or anything that can be printed and delivered to the customer. Guerrilla advertising or marketing is used for anything unconventional and invites the customer to participate or cooperate in some way. In this case it is very important to remember the time and place, where creative ideas and innovations are presented with a not big budget. Broadcast advertising is a mass-market form of communication via TV and radio, which can reach a large number of consumers at the same time. Outdoor advertising refers to any type of advertising which can reach any consumer when he/she is outside of the home. Public service advertising is designed to inform and educate rather than sell a product or service. Product placement advertising is the promotion of branded goods and services in a show or movie. Cell phone and mobile advertising is a new form of advertising for people who use cell phones, iPads, smartphones, and other electronic devices, which have an Internet connection. Online advertising (digital) takes place via the Internet with ads on Internet pages in most of the websites. (Suggett 2014.)

### **3.1.2 Sales promotion**

Sales promotion is the term used to describe short-term incentives offered to customers with the intention of increasing sales in the immediate future. It is used to introduce a new product, clear out inventories, attract traffic flow, and to lift sales. It is more connected to consumer markets, rather than to B2B markets, because business buyers are less influenced by short-term promotions, or sales promotions do not suit long-term relations. The need for promoting a product or service arises from the competition between organisations. Sellers must attract customers and their attention somehow. The information, which is needed to attract customers takes the form of advertising the availability of



something. Incentives are introduced like discounts; expressive applications are displays and shows, and low prices. (Blythe 2009, p. 185.)

Sales promotion must provide customer incentives; they cost money, but they must produce additional volume to pay for the expenses. Sales promotion must be carefully regulated to realize the purpose. Holding promotions will teach customers to buy in effect of the promotion, when the avoiding of promotions will let rivals to pull customers away. (Inc. 2014.)

The company can introduce many types of sales promotion activities including free sampling, coupons, discounts, premiums, product demonstrations, point-of-purchase (POP) materials, and refunds. Many companies use as sales promotion free samples to introduce new products or services. Free samples may be sent via email, by newspapers, or some brochures in the store. For example, in food industry, shops can offer a possibility to taste some of their new products, so that if the customers like it they will buy it. So, the main objective of free sampling is to make a customer taste a product and make a purchase. A second activity is loyalty programs, which are used by organisations as sales promotions. In this case, customers usually have a membership card, which can entitle it some free commodities, which makes the customer use the services of the company or buy their products more often. Another activity is premiums. They are very popular and provide gifts to customers such as giveaways. Sweepstakes are used for boosting subscriptions with massive number of buyers by using money, cars, or computers as sales promotions. Finally, there are product demonstrations, or demos which are a very effective way of sales promotions. These demonstrations are focused on showing customers how to use a particular product of service. People can try it out or can be a part of the demonstration. This is very good sales promotion, because people can try the product before buying and see what kind of features it has. (Inc. 2014.)

### **3.1.3 Personal selling**

“Personal selling is the interactive process whereby a buyer and a seller negotiate an exchange process. It is usually, though not necessarily, carried out in a face-to-face encounter between the parties.” (Blythe 2009, p. 193.)

To be successful in personal sales the sales person must know and understand how to sell the particular product to the needs of a customer. The sales person must know the basic human needs of food and liquids, and not to be confused with wanting, for example a cheeseburger and a coffee. The mechanics of personal selling is defined as bringing in and closing the deals. The sales person controls the whole process of sales, and must be influencing, but not aggressive and pushing. The seller must present the benefits of the product in a way that motivates the buyer to make a purchase. There are five main objectives in personal selling:

- building product awareness, where a sales person instructs and informs buyers of new product offerings
- creating interest, where the selling person must create a face-to-face contact with the customer to get to experience the product or service for the first time, which builds product awareness
- providing information is a large part of the selling process and in the conversations as well, where the seller focuses on the product information
- stimulating demand is the main objective in influencing the buyer to make a purchase
- reinforcing a brand helps to build strong relations and create regular communication with customers. (Blythe 2009, p. 193.)

#### **3.1.4 Public relations**

Public relations (PR) are the “planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics” (Blythe 2009, p. 175). In another words, PR is the way the organisations and individuals communicate with the media and public. It communicates to the target audience directly or indirectly by using media. The main goal of this communications is to create strong relations between organisations and audience and to maintain a positive image. There are PR organisations, which help companies to create and maintain a good reputation, in order to make a strong relationship with the customers, which increases sales.

There are used some tools for PR specialists and companies for maintaining relationships with target customers. To do that they use news releases and statements to media, bulletins, organisation and public events, and conventions, for example. To do such not very easy work, a PR specialist must have not only excellent communication and written skills, but also must know how to work under pressure and how to deal with different difficulties during the work. PR specialist needs to establish a control over the situation and save good reputation of the client. (Blythe 2009, p. 175.)

### **3.1.5 Direct marketing**

Direct marketing is an interactive marketing system that, using one or several advertising media, results in a measurable response or change at any sales outlets (Lahtinen and Isoviita 1994, p. 244). There are two ways of direct marketing with the message from the selling person to the customer and customer's feedback of seller's made work. Direct marketing has a certain method. This method is based on the communication and distribution channels and making those channels shorter and effective. The purpose of this method is to save the costs of the company and to manage good work of the communication and distribution channels without intermediaries. So, there are two different methods of direct marketing, including personal direct selling and "instrumental" direct selling. Personal direct selling (calling and visiting customers) is when the organisation sells the products or services to the customers face-to-face or by phone without using any media. "Instrumental" direct selling (mail-order selling) is a case when orders are placed without any intermediaries, but by mail-order catalogues, coupons advertisements, and advertisements letters with order cards, membership magazines, videotext and supertelelex. In the case of some expensive goods and industrial products, instrumental and personal communication methods are combined. (Lahtinen and Isoviita 1994, p. 244.)

### **3.2 Goals of Marketing Communication**

According to Suttle (2014), "the goals of marketing communication are largely contingent upon the types of communication you use." The goal of most types of advertising is to attract attention of customers, to build interest and to get

people buy products or services. Companies use advertising and other components of marketing communications for some other goals as well. The key concept is to deliver the message to the customer in a clear and concise way.

There are four major ways of marketing communication, including informing, supporting sales, getting leads, and driving sales directly. Informing is the form of marketing communication which tells and shows customers and non-paying consumers about the product or service features of the company. This type of marketing communication allows consumers to gather information during the presentation of the company's production or service, which can lead them to making a purchase. The next way is supporting sales. The main objective is to support sales staff. For example, franchise or consumer goods firms often use advertisements to support retail sales. The third way is to obtain business leads. For example, a company can run a small confidential advertisement and include in it its phone number; this way is designed to pull in leads. The last way is driving sales directly. This form of marketing communication is used in two ways: personal-selling and direct-response advertisements. In this case the sales person presents the features and benefits of the product and then tries to close business prospects during sales. Personal sales are the most expensive way of advertising. Direct response advertisements are used on large displays, for example in magazines. (Suttle 2014.)

### **3.3 Integrated marketing communication (IMC)**

"Integrated marketing communication is the concept of ensuring that all messages sent by an organisation carry complementary content in order to ensure that stakeholders develop substantially similar views of the organisation and its products" (Blythe 2009, p. 206). This means that all concepts and forms of communications and messages are wisely connected to each other. In other words, that all the promotional tools work together in harmony. As promotion is one part of Ps in the marketing mix, it also has its own mix of communications tools.

According to Blythe (2009, pp. 208-209), there are nine levels of integration:

- awareness stage (those responsible for communications realise that a fragmented approach is not the optimum one)
- planning integration (the co-ordination of activities; there are two broad approaches: functional integration, which co-ordinates separate tools to create a single message where appropriate, and instrumental integration, which combines tools in such a way reinforce one another)
- integration of content (ensuring that there are no contradictions in the basic brand or corporate message; at a higher level integrating the terms of communication to make the basic messages the same)
- formal integration (using the same logo, corporate colours, graphic approach and house style for all communications)
- integration between planning periods (basic content remains the same from one campaign to the next; either basic content remains the same, or the same executional approach is used in different projects)
- intra-organisational integration (integration of the activities of everyone involved in communication functions, which could mean everybody who works in the organisation)
- inter-organisational integration (integration of all the outside agencies involved in the firm's communications activities)
- geographical integration (integration of campaigns in different countries; this is strongest in the large multinationals that operate globally, e.g. the Coca-Cola Corporation)
- integration of publics (all communications targeted to one segment of the market are integrates (horizontal integration) or all communications targeted to different segments are attuned (vertical integration).

### **3.3.1 Benefits and barriers of IMC**

IMC needs a lot of effort if one wants to bring the business benefits. It can create competitive advantage, increase sales and profit, and, at the same time, saves money, time, and stress. IMC helps also customers to move through the many stages of the buying process. It increases profits through increased effectiveness, boosts sales by stretching messages across several communication tools to create more possibilities for customers to become aware and to make a

purchase. Finally, IMC saves money as it removes doubling in graphics and photography, as the same images, for example, can be used in advertising, exhibitions, and sales literacy. Also, using a single agency will reduce fees for all communications and time for meetings by bringing the several agencies together. So, this will reduce workload and stress levels. (MMC Learning 2014).

Yet, IMC has many barriers. Some organisational structures separate communications, data, and managers from each other. There emerges two difficult questions coming up: How should integrated marketing look like? How will it affect creativity? An advertising agency may not be enthusiastic about a creative idea and its development. So, the first barrier of IMC is that it restricts creativity. The main goal is to follow a unified strategy to create a message to show to consumers. The second barrier is different corporate cultures. IMC involves more than one company in a campaign, and each company has its own culture, but when it is meshed with another company culture, the result may not always be positive. There is a barrier that the team needs to overcome. The third barrier is lack of resources, such as financial, people resources and time as well. IMC requires proper skills and time management to make sure that activities are implemented in a timely and strategic way. There could be a negative impact on other aspects of the organisation, if time management is done in the wrong way. The last barrier is upper management support. IMC needs support to be successful, as well as guidance and resources. Upper management needs to see the resources which are available. In the case of IMC, the control is shared between several managers, because in upper management it can be a difficult concept and will create a barrier to IMC. (MMC Learning 2014.)

In overall, the advantages of integrating communications almost certainly overcome the drawbacks, since the cost savings and the reduction of ambiguity are clearly important objectives for most marketers. There is, however, the danger of losing the capacity to tailor messages for individuals and small target groups, and there are certainly some major creative problems attached to integrating communications on a broad scale. (Blythe 2009, pp. 209-210).

## **4 Russian customers as a target group**

Russia is the biggest country by area in the world with over 143 million people living there. This is a country with different kinds of people, different nations and cultures, which makes Russia a totally unique country in the world. Moreover, this is a different place to do marketing and advertising in comparison with Finland. This chapter introduces different ideas about and approaches to Russians and their behavior. This chapter will consist of different parts, such as statistics on Russian people in Finland, ways to attract Russian customers, and how to apply the knowledge.

### **4.1 Russians in Finland**

The biggest group of tourists who come to visit Finland is Russians. For example, the 2013 statistics show that the number of nights spent at accommodation establishments in Finland totaled 20.2 million, where Russian tourists accounted for 1.6 million, which is the biggest number of tourists from a particular country. (Visitfinland.com 2014).

According to RIA Novosti (2013), in the first quarter of 2013 the most popular destinations for Russian tourists were Finland, Egypt, and Thailand. The overall number of trips abroad by Russians rose by 15 percent year-on-year. In this case Finland was the most popular destination with 1.4 million visitors in this period.

When visiting Finland, Russians spend a lot of money there. There can be different purposes such as tourism, business trips, shopping, recreation, for example. But more and more Russians are visiting Finland just for shopping and recreation. In 2012 Russians spent 1.2 million euros in total. This is 39.5 percent more than in 2011. When visiting other countries, Russians spend there a total of 860 million euros. The most popular products which Russians buy while travelling in Finland are food items, such as fish. The second place is held by adult clothes, followed by kitchenware and other household articles. (Barents Observer 2013.)

According to Barents Observer (2013), in October 2012 the Stockmann department store in Helsinki started accepting roubles as payments. As Hanna Kiminkinen from the Stockmann department store said, the pilot project had been a success. While payment cards were the most popular option at the cash register, rouble had become the most common foreign currency. (Barents Observer 2013).

Another phenomenon has happened in Helsinki. There was a great opening of a Louis Vuitton shop in Helsinki. Without so many tourists from Russia, it would never happen, according to reporter Roman Osharov (2013). According to a report of 2011 by the Association of Fashion Retailers in Finland, the luxury bag retailer arrived in Helsinki just because of thousands of Russians, as the demand for famous bags has been increased due to many Russian tourists. (Osharov 2013.)

Finland has become the most popular place for Russian tourists for spending their spare time with family. The most common reason why Russians come to Finland is shopping. Shopping opportunities in Finland are attracting Russian tourists a lot; they usually buy food and drinks, clothing and shoes, and household goods. There are two main reasons for buying in Finland: high quality of goods and low prices. The most attractive aspects are good transportation connections, affordable shopping and leisure possibilities. (Taloussanommat 2012.)

#### **4.2 Marketing communication targeted to Russian customers**

Russia is a big country with a lot of different traditions and beliefs. This makes this country a totally different place for doing marketing and advertising. There are many aspects to be considered when talking about planning of marketing and advertising in Russia. As regards personal selling, the case company needs to consider cultural differences in personal sales work, especially when doing business with foreigners. The company must know all the right moves and ways to approach Russian customers. So, what are the right ways of making Russian customers feel comfortable, how to sell products, what kind of service Russian customer expect from Finnish companies? If some Finnish company wants to make good deals with Russian customers, sometimes they would



need to go out from their comfort zone to make Russian customers happy and come again. In this chapter discusses personal sales, advertising, public relations, and sales promotion, how they are done in Russia versus in Finland. (Alho et al. 2009.)

#### **4.2.1 Personal sales work**

On the Russian market personal sales is the key issue when doing business. It can be made directly and indirectly. In the case of direct sales, the seller is doing business by negotiating with the customer. In the case of indirect sales work, the seller communicates with the customer through another person who uses the product, like in the method of mouth-to-ear in word-of-mouth marketing. The mouth-to-ear method is the most common and effective way of communication and selling in Russia. It is the best way for the company to advertise its product to an audience, so to get a customer to recommend a product to other customers. In Russia people trust others people's opinion even more than advertising. When building the relationship with the customer, the seller should identify the customer's attitudes and behavior, because Russian customers sense very impulsively how the other person behaves and reacts on the sensations. The first impression comes from the face contact, appearance and tone of speech. Moreover, it is very important to understand Russian customers' needs and wants, and know what kind of service they expect from the selling company. (Alho et al. 2009.)

#### **4.2.2 Advertising**

There are many different ways to advertise products or services. Comparing two different countries like Finland and Russia, it is clearly seen that the ways of advertising and the regulations are quite different. In Finland a wide range of legal advertising services are offered to ensure that advertising and marketing campaigns comply with marketing and consumer protection laws and regulations; to ensure that the terms and conditions of special offers, contests, rebates, and such comply with laws and regulations; to provide assistance with applying for permits and filing notifications required for advertising of specific

types of products; and giving advice regarding personal data protection rules applying to marketing advertising. (MK Law.)

In Russia advertising and marketing is regulated mainly by the Federal Law on Advertising and the Law on Protection of Consumer Rights. "The Federal Law on Advertising prohibits the advertisement of the following: goods which are illegal to manufacture or sell in Russia; narcotics and psychotropic substances, as well as their precursors, and plants and parts of plants containing such substances; explosives and explosive materials, excluding fireworks; human body parts and tissue; goods subject to state registration, if such registration has not been performed; goods subject to certification or validation, if such certification or validation has not been obtained; goods subject to a license or special permit, if such license or permit has not been obtained." (MK Law 2013, p. 1.)

In Russia advertising flyers, banderols and other ways of advertising look quite different than in Finland. Moreover, animations in the Internet are used in a different way. Different style and texts are used in the Russian tactics of doing advertising. The role and power of the communication channel is also different.

In the Internet Russian advertisers use elements such as pop-ups and banners, and the Russian customers are used to these visualizations. Comparing a Russian and a Finnish website, for a Russian customer the Finnish website might seem to be even boring, if there is the only basic information about the company. But for a Finnish customer banners and flashy advertisements might be irritating.

Finnish companies may often be criticized in Russia because of their insufficient enough visibility in Russia. It means that they do not know how to be represented to and heard by most of the possible clients. The main reason for this might be the different advertising in these countries. One cannot claim that in Russia the official supervisory bodies like consumer protection have the same development level as in Finland, even if advertising is the most important communication and information channel. Russian customers are not individualistic like in most Western countries, but the attitudes in some younger target groups are changing and they want to be more individual. Most Russian people are very

confident and as soon as they become famous or rich, they would like to show it, and that is why they appreciate famous and well-known brands as a sign of wealth. So, if the Finnish company wants to advertise more effectively to Russian clients, it must advertise in the way that appeals to the Russian mind and soul, but not according to their own products and ideas. (Alho et al. 2009.)

#### **4.2.3 Public relations**

Relationships in the Russian business culture are often kept by regular contacts, e.g. messages and congratulation cards. Supporting public relations extends to leisure time, such as fishing and trips. In Russia the customer relationship concept between companies is wider than in Finland. When the friendship and trust is strong enough, the parties might turn to each other also in other matters. Different delegations in Russia are part of the public relations. Finnish ministries and other powerful parties arrange these meetings between companies and other authorities. In these events they create relationships, which are extremely important in Russia. (Alho et al. 2009.)

#### **4.2.4 Sales promotion**

Most of the major western advertising agencies are active in Russia, and also domestic agencies are growing and improving. However, telemarketing and fax marketing to business customers is common but not effective, and other direct marketing channels, such as catalogues, e-commerce, and regular mail are still in their beginning. The different traditional advertising media are well established in Russia and they work well, in particular for consumer goods. Television, print media, outdoor billboards, magazines, point-of-sale promotions and displays, and free samples are widely used. Person-to-person direct marketing also works well, e. g. with health and beauty products. For industrial goods, trade shows, and trade magazines are effective advertising methods. As Russian advertising regulations are not well developed and advertising may be on a high level. The competition of Russian products is aggressive, and you will need to adapt your advertising to suit Russian culture. (STARTUPoverseas, 2014).

### **4.3 Most common ways to advertise in Russia**

“Western companies, like Xerox, normally trust on their efficient selling forces, are quick to discover that for them to extrapolate their tactics to Russia’s open spaces, they would need huge selling armies, which is impossible. They have to choose their marketing means. Thus, Russia is a classical marketing country. Marketing and advertising in Russia are more important than elsewhere. Analysis of evidence gleaned over years shows that the quality of marketing and advertising is often a make-or-break thing for Russian companies.” (Repiev 2011).

“The Russian advertising scene can be best described by the Biblical phrase: “the blind leading the blind”. Blind agencies are leading blind advertisers. The quality of ads in Russia is horrible for two reasons: most of Russian advertisers don’t have the slightest idea of what good advertising is about. For the other and the same pretty much goes for Russian ad-makers, including those who man local branches of Western chain agencies. The ads they produce are all too often a waste of the client’s money. Oddly enough, you stand better chances to find good, down-to-earth, advertising that sells not in Moscow, but in other Russia’s places. One reason is that provincial agencies are not spoiled by huge advertising budgets of the internationals, which is the case in Moscow. Of necessity, they have to supply the goodies to local manufacturers or retailers for their hard earned advertising monies.” (Repiev 2011).

There are many different options for advertising in Russia. Media advertising include special magazines and local magazines, newspapers, nationwide television and international television, and radio channels. There are dozens of business and finance magazines published in Russia. Moreover, some special paid articles can be a very good way of advertising. In total there are 93,000 media outlets in Russia, including 27,000 newspapers and magazines and 330 television channels (Nikitina 2012.)

TV is the most popular source of information. There are three TV channels with nationwide outreach, and a multitude of regional channels with 74% of Russian population watching national channels and with 59% - regional TV. The second place goes to local and national newspapers with 27% of Russians consulting

local newspapers and 40 % reading them occasionally; the figures for national newspapers are 18% and 38%, respectively. The Internet is on the third place. (Nikitina 2012.)

Radio is also very popular in Russia. Russian radio is focused on broadcasting music, news and analyses. There are many radio stations and they all differ from each other. "In every region of Russia there is a state station where regional news, children's programs, cultural broadcasting and others are transmitted. Several stations have whole Russian as an auditorium and are supported by the state." (Nikitina 2012.)

Russian Internet advertising is very popular and is growing every day. In 2008 there were about 41 million Internet users and in 2010 this amount increased to 50.6 million users. The latest information about the number of Internet users in Russia is 67.9 million and it is in the 6<sup>th</sup> place in the world (Internet World Stats 2012.) Moreover, Russian Internet advertising differs from Finnish advertising in a visual way. Russian websites have a lot of materials and ads like pop-ups and banners. Some Russians like to have their own blogs and read others' as well.

## **5 Case Research La Fiaba**

La Fiaba is a boutique of quality and fashionable Italian shoes and accessories. It was opened on 8 March 2013 in Family Center in Lappeenranta, Finland. It is the best choice for those how like good quality Italian shoes with the best Italian traditions, modern design, and natural materials. As it is made qualitatively, it does not mean that it is very expensive. In La Fiaba there are fair prices on shoes and accessories. Moreover, every customer has a possibility to make a tax-free and invoice which ever they prefer. (La Fiaba 2013.)

This chapter discusses the main aspects of the study. It includes the data from the answers to a customer satisfaction survey and the analyses of these collected data. Than it will conclude to what kind of suggestions to La Fiaba for improving their advertising and customer and marketing service are introduced.

## **5.1 Customer satisfaction survey**

The marketing and customer satisfaction survey is based on the answers from Russians who travel to Lappeenranta in Finland for shopping in the store La Fiaba. It is very important to know how the marketing works and the satisfaction of customers with the service. While doing this survey, the first version of the questionnaire was written in English and then it was translated to the Russian language. The survey was approved by La Fiaba and then the whole process started. The survey was uploaded on the group of La Fiaba in VK.com and some other groups of Russians who travel to Lappeenranta in VK.com as well. The customer and marketing survey was only meant for Russian tourists, excluding all Russians who permanently live in Lappeenranta. All the interviewees were informed about this in the survey.

The survey consisted of some background information, and the main idea was to find out what kind of people do shopping in La Fiaba's store in Lappeenranta. The background information indicated the average age of the people, their level of income, profession, and the amount of money that they spent on shopping in Lappeenranta. Moreover, the interviewees were asked about their home city in Russia, how they travel to Finland, how many times they have visited Finland before of this was the first time. The second part of the survey consists of the marketing and customer service questions. It is very important to know what the main factors are for choosing La Fiaba instead of another shoe store. Moreover, it was interesting to hear what kind of advertisement is more popular among Russian tourists, and what kind of experience and what recommendations customers have.

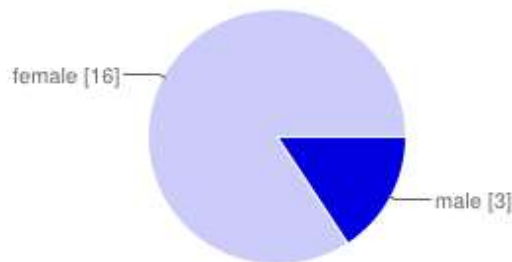
The marketing and customer survey was completely made in Google Docs and the analyzing work was done on this program as well. As the survey was translated into Russian, all the answers were moved from the Russian version to the one which was in English, saving all the information and not changing anything. There were only 20 respondents in the survey, but all of them answered the main part of the questions and gave their opinions and recommendations for improving La Fiaba's advertising to attracting new customers and keeping the existing ones.

## 5.2 Results of customer satisfaction survey

The marketing and customer survey was completed successfully with 20 respondents. It was enough, because the answers from the customers were quite full and they gave a lot of good comments and recommendations.

The survey began with the background questions. The first question was about the gender of the customers, and the results are presented in Chart 1 below:

**Gender**



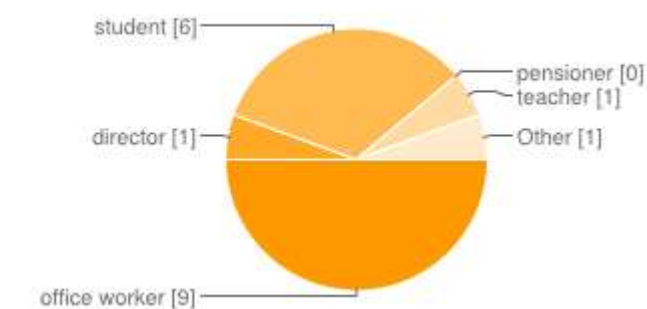
male	3	16%
female	16	84%

Chart 1. Gender of the customers.

Based on the survey, the majority of La Fiaba's customers are women. There were only 20 respondents, 16 of them were women and 3 of them were men, 84% and 16% respectively. This may be because women commonly visit shops and make some purchases for themselves and their families as well. As regards age groups, there was a lot of variation from 18 years up to 52 years.

The next important field was the profession and the level of income. The statistics show, in Chart 2 below that the main part of the buyers are office workers with 50% of the whole number of clients.

### Professional field

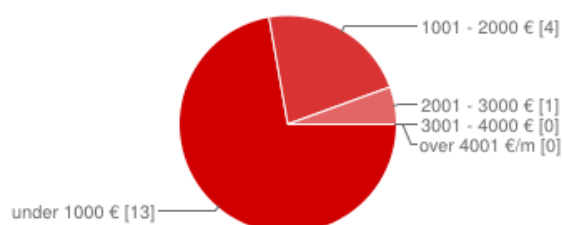


office worker	9	50%
director	1	6%
student	6	33%
pensioner	0	0%
teacher	1	6%
Other	1	6%

Chart 2. Professional field.

In the chart 3 illustrates the level of income of the interviewees in the customer satisfaction survey. The most common answer was under 1000 euros per month, with 13 of 20 participants, which is in 72%. According to statistical information, in the Leningrad region the average level of income was about 28000 roubles in 2013 (Mojazarplata.ru 2013).

### Level of income



under 1000 €/month	13	72%
1001 - 2000 €/month	4	22%
2001 - 3000 €/month	1	6%
3001 - 4000 €/month	0	0%
over 4001 €/month	0	0%



Chart 3. Level of income.

The next question was about the city the customer came from. It is seen in Chart 4 that the majority of the customers came from Saint-Petersburg, 9 interviewees, which is 50%. The second place is taken by Vyborg with 7, which 39%, and the last one is Moscow with only 2 customers, which is 11% of all the answers from the customers of La Fiaba. None of La Fiaba's customers came from some other city in Russia. As the purpose of this study was to concentrate more on customers from Vyborg, there is a good opportunity for La Fiaba to target more advertising to people who live there, because there are some clients who already have visited the store.

**Your hometown in Russia**

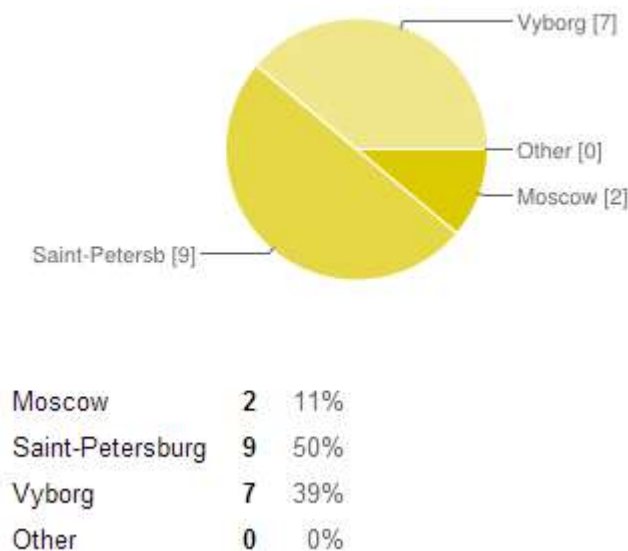
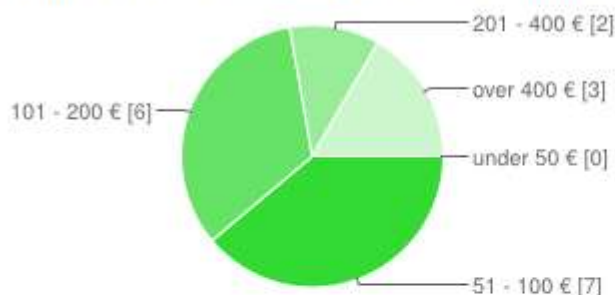


Chart 4. Hometown in Russia.

All customers were asked how much money they spend on shopping in Lappeenranta during one visit, which is illustrated in Chart 5 below. The survey shows that the most common answer is 51 – 100 euros with 7 answers and it is 39% of the total number of customers. On the second place, there is 101 – 200 euros, with 6 answers and it is 33%. Only 3 people answered that they spend over 400 euros each time they do shopping in Lappeenranta, which is 17%, and only 2 out of 20 customers answered that they spend 201 – 400 euros, which is 11%.

### How much do you spend money for shopping in Lappeenranta at once?



under 50 €	0	0%
51 - 100 €	7	39%
101 - 200 €	6	33%
201 - 400 €	2	11%
over 400 €	3	17%

Chart 5. How much money you spend for shopping in Lappeenranta during the visit?

To the questions How often do you visit Lappeenranta? and How do you travel to Lappeenranta? the most common answers were once a half of year and by car. 10 of the interviewees visit Lappeenranta every half of year, which is 56%, and the other 8 people who answered this question visit Lappeenranta once a month and even more often, which is 44% of the total number of answers. As regards the way of traveling to Lappeenranta, the majority of customers travel there by car, with 17 answers, which is 81%, and the rest travel to Lappeenranta by bus, and no one of the interviewed customers travel by train or airplane to Lappeenranta.

The next important question was about shopping particularly in La Fiaba. Visitors were asked if they had been shopping there before. 8 of the customers answered that they had been shopping there before, which is 42%; only 4 answered that this was their first time, which is 21%, and 7 people answered that they had not been shopping there before.

The next question was about the reasons that can make customers choose La Fiaba instead of another shoe store. As shown in Table 1 below, the location is

important for 42% for customers, very important for 32%, less important for 21% and not important at all only for 5%. The quality of the products is very important for most of the customers, 63%, important for 32% and not important at all for 5%. Availability of products too, is very important for the majority of the customers, 53%, while 32% thinks that it is important, and, again, 5% think that it is not important at all. The majority of customers think that the good prices are very important for choosing La Fiaba instead of some other shoe store in Lappeenranta, 58%, while 32% think that it is important and less important and not important at all is for 5% each. As regards the brand, 32% of people answered that it is very important, 26% think that it is not important at all, and the others think that the brand is important or less important , 21% each.

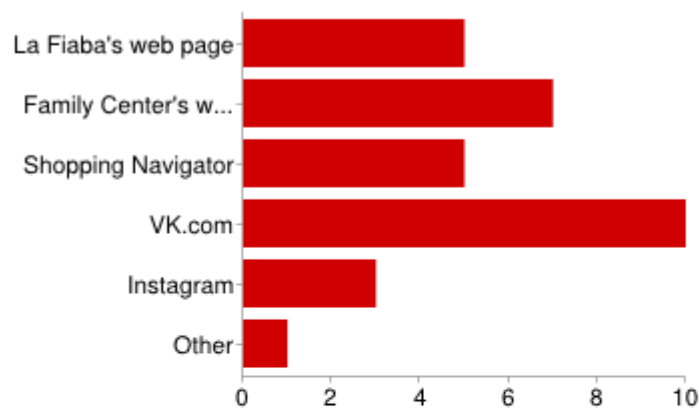
	Not Important	Less important	Important	Very important
Location	5%	21%	42%	32%
Quality of products	5%	0%	32%	63%
Availability of products	5%	0%	42%	53%
Good prices	5%	5%	32%	58%
Brand	26%	21%	21%	32%

Table 1. Reasons for selecting La Fiaba.

The next part of the questions were about advertising. When answering the question Have you ever seen any information or advertising about La Fiaba, 58% of customers said Yes, and the rest No. In Chart 6, which is below, there is information about the sources from which customers get information about La Fiaba. The majority of the customers had got the information about La Fiaba from VK.com, which is the most popular social network in Russia, 10 answers

which was 32%. The next source was Family Center's webpage, 23%. The third place is shared by La Fiaba's web page and Shopping Navigator magazine with 16% each, and 3 people had seen the information in Instagram, and only one person answered Others, but did not specify the source.

#### From what source did you get the information about La Fiaba?



La Fiaba's web page	5	16%
Family Center's web page	7	23%
Shopping Navigator	5	16%
VK.com	10	32%
Instagram	3	10%
Other	1	3%

Chart 6. Sources of information of La Fiaba.

The next question is very important, and it was about marketing and what kind of ways of doing marketing are important for customers. As is seen in Table 2, which is below, Finnish TV is not very important for Russian tourists. For 42% Finnish TV is not important at all, and that is the majority; for 32% it is less important; for 16% it is important and only 11% think that it is very important. Russian TV is not important or less important for 26% each, 32% think that it is important way of marketing, and 16% think that it is very important. Almost the same applies to newspapers. Newspapers in Finland are not important for 32% and less important for the same number of customers. For 32% it is important and for 16% it is very important. The majority of customers think that Russian

newspapers are very important for doing marketing, 26% think that it is important, and 21% each think that it is less important and not important at all.

As for promotion near the Russian boarder, people think that it is very important. The majority, 42%, who answer like this, 37% think that it is important, 16% answered that it is less important and only 5% think that it is not important. Promotion alongside Finnish highways is very important for 32% and important for 37%. 11% think that it is less important and 21% consider it not important at all. People think that fliers are a very important way of marketing, 37% and another 37% think that it is important. 21% answered that it is less important and only 5% considered it not important. When asked about tourists maps of Lappeenranta, the majority answered that they are less important, 26% and 21% think that they are important or very important, respectively, and 11% think that it is not important.

Companies' webpages are important for 47% and 21% think that they are very important. 21% and 11% answered that it is less important or not important respectively. 26% of all the interviewees think that banners on the websites are very important, and 37%, the majority, that they are important, and only 5% considered them less important, and 32% think that they are not important at all.

E-mail advertising is not important at all for 32% and the same amount of customers think that it is less important. 26% answered that it is important and only 11 thought it is very important. Social media are very important for the customers with the majority of the answers, 63%. 26% think that it is important, and only 5% think that it is less important or not important. Friends or other people's recommendations are very important for Russian customers as well, 89%, and only 5% considered them important or less important, and none of the customers think that friends or other people's recommendations are not important at all.

	Not im- portant	Less im- portant	Important	Very im- portant
Finnish TV	42%	32%	16%	11%
Russian TV	26%	26%	32%	16%
Newspapers in Finland	32%	32%	21%	16%
Newspapers in Russia	21%	21%	26%	32%
Promotion near Russian boarder	5%	16%	37%	42%
Promotion alongside Finn- ish highways	21%	11%	37%	32%
Fliers	5%	21%	37%	37%
Tourist maps of Lap- peenranta	11%	42%	26%	21%
Companies' web pages	11%	21%	47%	21%
Banners on web sites	32%	5%	37%	26%
E-mail advertising	32%	32%	26%	11%
Social media (VK.com, Facebook.com)	5%	5%	26%	63%
Friends/people's recom- mendations	0%	5%	5%	89%

Table 2. Do you find these marketing ways important for you?

The next question was about customer service in La Fiaba. There were 20 customers who answered this survey, but none of them gave negative feedback about customer service at La Fiaba shoe store. All the answers were completely positive and all customers were satisfied with the service. Moreover, there was a comment about the personnel telling that they are very good and friendly. So, customers are satisfied with customer service at La Fiaba. The customers' shopping experience was positive as well. All the customers were happy to make purchases in La Fiaba and got only positive emotions. The products are nice and the quality is very good. Some of the customers did not make any purchases, but they want to do so.

There were some recommendations from customers for improving La Fiaba's customer service. People asked for more advertisements in newspapers and magazines, and increasing advertising in Russia like running La Fiaba's magazine, for example. Moreover, the most common recommendation was to have more special offers and discounts for the customers, and contact the customers about these offers. Some of the customers recommended advertising the store on the TV and on radio, and to make billboards.

### **5.3 Recommendations**

La Fiaba is already quite a well-known shoe store, as seen from the survey results. Yet, some of the customers have not even heard about this store. So, the next step for La Fiaba is to keep the existing customers and convince potential customers to try the products of La Fiaba shoe store.

The survey shows that most of the Russian customers are just keen on discounts and special offers, and they would like La Fiaba to have more of them. So, discounts and special offers might be beneficial when La Fiaba for attracting new customers from Vyborg and making them come to the store, even for those customers with a low level of income. Moreover, there could be some advertisements about these special offers and discounts, e.g. in Vyborg newspaper or magazine. According to the survey, customer service at La Fiaba is very good and all of the customers were happy. Customer service is the most important factor for Russian tourists, and consequently, better customer service

will make customers of La Fiaba feel more satisfied with their purchases, and they might also recommend La Fiaba to their friends and families.

Personal recommendations are very important for Russian customers, because they want to be sure that the product that they would like to find and buy is going to be a good one. Moreover, the La Fiaba group in VK.com is very well known among Russian customers, so they can invite their friends to this group as well. Many Russian tourists use another social network, such as Facebook.com, so it might be a good idea for La Fiaba to create a group in Facebook.com and invite there some Russians, and they will invite there their friends and families as well. This may attract more new customers to La Fiaba. Furthermore, in social networking sites it is possible there to inform customers about new collections, special offers and discounts.

The company's website was quite important for Russian customers. Thus, La Fiaba could make it more informative. There could be some information about seasonal products and some suggestions for the customers. Moreover, they could add a feedback form for the customers of La Fiaba, so that the customers can leave their feedback on the web site, and the feedback form can be added to Family Center's web site, too. Additionally, there is a web site for tourists who travel to Finland, its name is GoSaimaa.com. So La Fiaba could add there a banner or information with their advertisement to attract more customers.

Based on the survey, promotion alongside Finnish highways is important for Russian customers, so it could be a good idea to have somewhere near Lappeenranta a billboard that reminds Russian customers that there is La Fiaba store not so far from highway 6 and point the direction to the store. Furthermore, it could also be a good idea to inform Russian customers who live in Vyborg by placing an advertisement on a big billboard somewhere in the city. Many customers notice this kind of ads and may have more motivation for visiting the store of La Fiaba. In addition, La Fiaba also has a very attractive and colorful logo, so that will help to become more visible for most of the potential clients.



Also, one of the recommendations from the customers was to have more advertising in magazines and newspapers in Russia, maybe informing about discounts and special offers. So, La Fiaba can have some kind of advertising in a newspaper or magazine in Vyborg. Another piece of advice was to run a La Fiaba magazine, or to have their own ad on the TV or radio, but this might be too expensive for the company.

The last, but not the least, idea could be to take part in a fashion show, for example at "Galleria Fashion Night", or to be a sponsor for some event in Lappeenranta or in Vyborg, or in some organization. Also, La Fiaba can organize their own event. Moreover, it could be a good idea to have some small presents for those customers who made a big purchase; it could be shoe napkins or something else with the company logo.

## **6 Conclusion**

The purpose of the study was to help the La Fiaba shoe store to attract new customers from Vyborg, Russia. The main aim was to study the case company's customer service to Russian customers and in the theory part to take a look and get a deeper understanding of marketing. The empirical part of the work was based on the answers to the survey among Russian customers. Based on the theory part and empirical part, there are some suggestions for La Fiaba how to manage customer service and advertise to Russian customers. Based on the research objectives, the aim of the thesis was to help La Fiaba to improve their advertising and to attract new customers from the Russian market.

The number of Russian tourist is growing every day in Finland, so this could be a good chance for La Fiaba to gain more Russian customers, especially from Vyborg, and sustain strong customer relationships. The survey shows that many Russian customers have already seen information about the La Fiaba shoe store and they are happy with their service. So, the advertising is already working on Russian customers, and the most important source of information for Russian customers is recommendations from friends and other people they

know. Also, customers look for information in the Internet and find it alongside the highways and in some cases on tourist maps.

In conclusion, the author of this work thinks that the result was positive and the whole progress was successful. The work took more time than it was expected, but the good results are shown. The survey part of the thesis is completed, not with so many answers as was expected, but it was enough for analysing and concluding the work. With the help of the survey, La Fiaba can understand their Russian customers better, and hopefully they can get more regular clients from Vyborg and more ideas about how to attract more possible customers from Vyborg in Russia.

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## **Appendices**

### **Appendix 1**

#### **Customer Satisfaction Survey**

This questionnaire will be a part of Petrovskaya Daria's Bachelor's thesis in Saimia University of Applied Sciences. Answering this questionnaire will help La Fiaba to improve customer and marketing service. This questionnaire is used only for the purpose, which is mentioned above. All the participants will stay anonymous. This questionnaire is intended for Russian tourists, who come to La Fiaba store in Lappeenranta, not for the permanent Russian residents in Lappeenranta.

#### **Gender**

- ☐ male
- ☐ female

#### **Age**

\_\_\_\_\_

#### **Professional field**

- ☐ office worker
- ☐ director
- ☐ student
- ☐ pensioner
- ☐ teacher
- ☐ Other: \_\_\_\_\_

#### **Level of income**

- ☐ under 1000 €/month
- ☐ 1001 - 2000 €/month
- ☐ 2001 - 3000 €/month
- ☐ 3001 - 4000 €/month
- ☐ over 4001 €/month

**Your hometown in Russia**

- ☐ Moscow
- ☐ Saint-Petersburg
- ☐ Vyborg
- ☐ Other:

**How much do you spend money for shopping in Lappeenranta at once?**

- ☐ under 50 €
- ☐ 51 - 100 €
- ☐ 101 - 200 €
- ☐ 201 - 400 €
- ☐ over 400 €

**How often do you visit Lappeenranta?**

- ☐ once a month or more often
- ☐ once a half of year
- ☐ once a year
- ☐ it is my first time

**How do you travel to Lappeenranta?**

- ☐ by car
- ☐ by buss
- ☐ by train
- ☐ by airplane

**Have you been shopping in La Fiaba, Lappeenranta before?**

- ☐ It is my first time
- ☐ I have been shopping here before
- ☐ I have not been shopping here before

**What things make you choose La Fiaba instead of another shoe store?**

	Not Important	Less important	Important	Very important
Location				
Quality of products				
Availability of products				
Good prices				
Brand				

**Have you ever seen any information or advertising about La Fiaba?**

- ☐ Yes
- ☐ No

**From what source did you get the information about La Fiaba?**

- ☐ La Fiaba's web page
- ☐ Family Center's web page
- ☐ Shopping Navigator
- ☐ VK.com
- ☐ Instagram
- ☐ Other:

**How do you find this marketing ways important for you?**

	Not important	Less important	Important	Very important
Finnish TV				
Russian TV				
Newspapers in Finland				
Newspapers in Russia				
Promotion near Russian boarder				
Promotion alongside Finnish highways				
Fliers				
Tourist maps of Lap- peenranta				
Companies' web pages				
Banners on web sites				
E-mail advertising				
Social media (VK.com, Facebook.com)				
Friends/people's recommendations				



**What do you think about customer service in La Fiaba?**

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**How was your shopping experience in La Fiaba?**

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**Do you have any recommendations for improving customer and marketing service in La Fiaba?**

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